

IN THE SENATE OF THE UNITED STATES.

---

LETTER

FROM

THE SECRETARY OF THE TREASURY

IN RESPONSE

*To Senate resolution of April 27, 1892, relative to the purchase of silver under the law of 1890.*

---

MAY 2, 1892.—Referred to the Committee on Finance and ordered to be printed.

---

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, D. C., April 29, 1892.

SIR: In accordance with Senate resolution of April 27, 1892, as follows:

*Resolved*, That the Secretary of the Treasury be, and he is hereby, directed to inform the Senate what is the aggregate cost of the silver bullion and standard dollars coined therefrom purchased under the act of July 14, 1890, and now held in the Treasury, and a detailed statement of the amount purchased each day and the date thereof, and what amount of Treasury notes issued for such purchase is now outstanding, and whether any of such notes have been received by the Treasury in exchange for gold coin or redeemed in gold coin, and what amount of silver coin there is now in the Treasury applicable to the redemption of such notes; and also whether, when such notes are received into the Treasury for customs, taxes, and other public dues, they are reissued or retained in the Treasury; and if any of such notes have been retained in the Treasury what amount has been so retained. Are persons selling bullion to the United States under the act of July 14, 1890, required to make immediate delivery and take the bullion so sold out of the market, or are they given time to make such deliveries after having made a contract to supply the United States and deprive others of that opportunity? Does the public have notice of the times, places, and amounts of silver bullion which will be purchased by the United States, or are such purchases made of brokers and bankers without such public notice? Is the business of purchasing silver bullion under the act of July 14, 1890, conducted with a view of depressing the price of bullion and obtaining it as cheap as possible, or with a view of carrying out the "established policy of the United States to maintain the two metals (gold and silver) on a parity with each other upon the present legal ratio?" And what amount of gold coin and gold bars is there in the Treasury, exclusive of outstanding gold certificates? And also to state the amount that the silver dollars and bullion on hand would have cost at the present prices of silver bullion,

I have the honor to reply as follows:

1. In reply to the first query, "What is the aggregate cost of the silver bullion and standard dollars coined therefrom purchased under the act of July 14, 1890, and now held in the Treasury, and a detailed statement of the amount purchased each day and the date thereof," I transmit herewith copy of the information furnished in response to

Senate resolution of April 7, 1892 (Executive Document No. 78), covering the daily purchases of silver under the act of July 14, 1890.

2. "What amount of Treasury notes issued for such purchase is now outstanding?"

The Treasury notes issued in payment of silver bullion under the act of July 14, 1890, to April 27, 1892, have amounted to \$92,852,000, of which \$11,542,291 are in the Treasury cash.

3. "Whether any of such notes have been received by the Treasury in exchange for gold coin, or redeemed in gold coin?"

The Treasury notes of 1890 have been received by the Treasury in exchange for gold coin and have also been redeemed in gold coin.

4. "What amount of silver coin there is now in the Treasury applicable to the redemption of such notes?"

Twenty-four million seven hundred and fifty-four thousand and ninety-five dollars.

5. "Whether, when such notes are received into the Treasury for customs, taxes, and other public dues, they are reissued or retained in the Treasury, and, if any of such notes have been retained in the Treasury, what amount has been so retained?"

The Treasury notes are received and paid out freely in the daily transactions of the Treasury. When received into the Treasury for customs, taxes, and other public dues they are reissued and kept in circulation.

6. "Are persons selling bullion to the United States, under the act of July 14, 1890, required to make immediate delivery, and take the bullion so sold out of the market, or are they given time to make such deliveries, after having made a contract to supply the United States, and deprive others of that opportunity?"

The deliveries on purchases of silver must be completed within ten days after the acceptance of the offer. No complaint has been received by the Secretary from any producer or seller of silver bullion as to the length of time allowed for the completion of deliveries.

7. "Does the public have notice of the times, places, and amounts of silver bullion which will be purchased by the United States, or are such purchases made of brokers and bankers without such public notice?"

Inclosed herewith I send copy of Department Circular No. 57, 1890, giving notice of offers for the sale of silver bullion, and also copy of the regulations for the purchase of silver bullion. These circulars were given to the press at the time they were issued, and an abstract of them was published in most of the newspapers. The answer to the first question gives the list of persons and firms from whom silver has been purchased.

8. "Is the business of purchasing silver bullion under the act of July 14, 1890, conducted with a view of depressing the price of bullion, and obtaining it as cheap as possible, or with a view of carrying out the 'established policy of the United States to maintain the two metals (gold and silver) on a parity with each other upon the present legal ratio?"

The purchase of silver is so conducted by the Treasury Department as to carry into effect the provisions of the act of July 14, 1890, which requires that the Government shall purchase 4,500,000 ounces of silver monthly at the market price. Offers for the sale of silver are received from anyone who has silver to sell, and the lowest offers are accepted. No effort is made to lower the price of silver, and the full market price as shown by the published quotations is paid unless offers below that price are received.

It has been the hope of the Department that the price of silver

would be advanced by reason of the large absorption of 4,500,000 ounces a month by the Government for currency purposes.

The Secretary is unable to see that, in the buying of silver bullion, any course he can take in the manner of purchase within the law can have any appreciable effect upon the price.

9. "What amount of gold coin and gold bars is there in the Treasury exclusive of outstanding gold certificates?"

|   |                     |
|---|---------------------|
| Gold coin and bullion in the Treasury April 26, 1892..... | \$277, 914, 279. 88 |
| Gold certificates outstanding.....                        | 157, 827, 599. 00   |

|               |                   |
|---------------|-------------------|
| Net gold..... | 120, 086, 680. 88 |
|---------------|-------------------|

10. "State the amount that the silver dollars and bullion on hand would have cost at the present prices of silver bullion?"

The amount of silver purchased under the act of July 14, 1890, to April 1, 1892, was 89,044,075 fine ounces, costing \$89,611,000, valued at to-day's price of silver at \$77,833,426.

Very respectfully,

CHARLES FOSTER,  
*Secretary.*

The PRESIDENT OF THE SENATE.

[Circular.]

*Offers for the sale of silver bullion.*

Department No. 57.]

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,  
*Washington, D. C., August 1, 1890.*

On and after the 13th instant, offers for the sale of silver bullion, in lots of not less than ten thousand (10,000) ounces, and its delivery, free of expense to the Government, at any specified coinage mint of the United States, will be received, either by telegraph or letter, for consideration at twelve o'clock m., on Mondays, Wednesdays, and Fridays of each week, except when these days fall on legal holidays.

All bids will be addressed to "The Director of the Mint, Treasury Department, Washington, D. C.," will state the quantity offered in fine ounces, the price per fine ounce, and the mint at which the bullion is to be delivered.

Bidders will be notified by telegraph of the acceptance or rejection of their offers.

The right to reject any or all bids is reserved, and also to accept any portion of an amount offered instead of the whole.

The delivery on a purchase must be completed within ten days after the acceptance of the offer.

Payment will be made by draft on an assistant treasurer of the United States, payable in Treasury notes.

When bars bear the stamp of well-known refineries, such approximate value will be paid, pending melt and assay, as may be regarded safe and proper.

When the bullion purchased is of a character to require parting or refining, the usual mint charges for these operations will be paid by the seller.

No bars weighing over twelve hundred (1,200) ounces will be received.

No silver coin, except uncurrent and mutilated coins of the United States, will be received on account of purchases.

WILLIAM WINDOM,  
*Secretary.*

*Regulations for the purchase of silver bullion.*

TREASURY DEPARTMENT,  
*Bureau of the Mint, August 1, 1890.*

Purchases of silver bullion under the act of February 28, 1878, will cease at the close of business on the 12th instant.

The superintendents of the coinage mints will proceed, as fast as the current business of each mint will permit, to coin the silver bullion on hand at that date, purchased under the aforesaid act, into standard silver dollars, and the account of silver purchases and coinage under the act of February 28, 1878, will be closed.

On and after the 13th instant, offers for the sale of silver bullion, under the provisions of the act of July 14, 1890, in lots of not less than ten thousand (10,000) ounces, and its delivery at one of the coinage mints of the United States, located, respectively, at Philadelphia, San Francisco, Carson City, and New Orleans, will be received by telegraph or letter and considered at the Treasury Department on Mondays, Wednesdays, and Fridays of each week at twelve o'clock m.

All bids should be addressed to the Director of the Mint, and should state the quantity in fine ounces, the price per fine ounce, and the mint at which the silver is to be delivered.

Bidders will be notified by telegraph of the acceptance or rejection of their offers.

The right to reject any and all bids is reserved, and also to accept any portion of the amount offered instead of the whole.

No silver coin, except mutilated and uncurrent coin of the United States, will be received on account of purchases.

The delivery on purchases must be completed within ten (10) days after the acceptance of the offer, unless otherwise specified.

Payment will be made by check drawn by the superintendent of the mint on an assistant treasurer of the United States to the order of the seller, payable in Treasury notes.

When the bars delivered bear the stamp of well-known refineries, such approximation of the value of the bullion delivered as, in the discretion of the superintendent may be regarded safe and proper, will be paid, pending melt and assay.

When the bullion delivered on purchases requires parting or refining, the usual mint charges for these operations will be imposed.

Bars improperly manufactured, or lacking solidity, will be subject to a melting charge

No bars weighing over twelve hundred (1,200) ounces will be received.

The record of the purchases of silver bullion will be kept in the office of the Director of the Mint, and all correspondence in regard to the same should be addressed to him.

The superintendents of the mints at Philadelphia, San Francisco, Carson City, and New Orleans are authorized to purchase, under the provisions of the act of July 14, 1890, silver bullion in lots of less than ten thousand (10,000) ounces, at a price to be fixed from time to time by the Director of the Mint.

Silver contained in gold deposited at any of the institutions of the mint service will be purchased at a rate to be fixed from time to time by the Director of the Mint and treated as a purchase of silver bullion under the provisions of the act of July 14, 1890.

Silver received in payment of charges on silver bullion deposited for bars, and in bar fractions, will be purchased at a rate to be fixed by the Director of the Mint and will be treated as a purchase of silver bullion under the provisions of the act of July 14, 1890.

EDWARD O. LEECH,  
*Director of the Mint.*

Approved:  
WILLIAM WINDOW,  
*Secretary.*

---

*Regulations for the purchase of silver bullion.*

TREASURY DEPARTMENT,  
BUREAU OF THE MINT,  
Washington, D. C., August 5, 1890.

On and after the 13th instant, offers for the sale of silver bullion in lots of not less than ten thousand (10,000) ounces will be considered at the Treasury Department on Mondays, Wednesdays, and Fridays of each week, at 1 o'clock p. m., instead of at 12 o'clock m., as prescribed in the regulations of the 1st instant.

EDWARD O. LEECH,  
*Director of the Mint.*

Approved:  
WILLIAM WINDOW,  
*Secretary.*